

Senate Bill 174

By: Senators Staton of the 18th, Seabaugh of the 28th, Hudgens of the 47th, Hill of the 32nd, Johnson of the 1st and others

AS PASSED

AN ACT

To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to enact the "Small Business Employee Choice of Benefits Health Insurance Plan Act"; to provide a short title; to provide for legislative intent; to provide definitions; to provide that insurers may offer certain employees and consumers a choice between a health benefit plan containing all state mandated health benefits and an alternative health benefit plan that does not contain all state mandated health benefits; to allow for employees and individuals to choose the plan best suited to such employee s and individual s needs and budget including supplemental policies; to provide exceptions; to provide for certain notices; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by adding a new Chapter 59 to read as follows:

CHAPTER 59

33-59-1.

This chapter shall be known and may be cited as the 'Small Business Employee Choice of Benefits Health Insurance Plan Act.'

33-59-2.

The General Assembly recognizes the need for employers and individuals in this state to have the opportunity to choose among group and individual health insurance plans that are more affordable and flexible than standard market policies of accident and sickness insurance and the need to increase the availability of health insurance coverage by authorizing the transaction of this type of plan or policy by accident and sickness insurers licensed to transact business in this state. This chapter shall require insurers which provide

major medical coverage to offer policies that contain all state mandated health benefits as well as policies that contain the limited selection of state mandated health benefits set forth in Code Section 33-59-3; provided, however, that, on and after July 1, 2005, employees in group plans or individuals may choose pursuant to this chapter among new health insurance plans offered by insurers that either include all state mandated health benefits or include the limited state mandated health benefits set forth in Code Section 33-59-3.

33-59-3.

As used in this chapter, the term:

(1) 'Alternative health benefit plan' means a group or individual health benefit plan that contains:

(A) Major medical benefits;

(B) Standard provisions or rights required to be present in an individual, blanket, or group policy or contract for accident and sickness insurance pursuant to state law or regulations unrelated to specific health illnesses, injuries, or conditions of the insured, including, but not limited to, those related to continuation of coverage in Code Section 33-24-21.1, Code Section 33-24-21.2, paragraph (4) of Code Section 33-30-4, and paragraph (8) of subsection (b) of Code Section 33-30-6; entitlement to conversion privileges in Code Section 33-24-21.1; termination of coverage in Code Sections 33-24-21 and 33-24-28; and coverage of newly born or adopted children in Code Section 33-24-22; and

(C) Coverage of testing for chlamydia in Code Section 31-17-4.1; coverage for complications of pregnancy in Code Section 33-24-24; coverage for general anesthesia and related hospital and outpatient facility charges for dental care for persons who are developmentally disabled, seven or younger, neurologically impaired, or suffering severe face or head trauma in Code Section 33-24-28.4; surveillance tests for ovarian cancer in Code Section 33-24-56.2; colorectal cancer screening and testing in Code Section 33-24-56.3; coverage for hospital stays after delivery in Code Section 33-24-58.2; direct access to obstetricians and gynecologists in Code Section 33-24-59; treatment of dependent children with cancer in Code Section 33-24-59.1; coverage for equipment and self-management training for individuals with diabetes in Code Section 33-24-59.2; coverage for prescribed female contraceptive drugs or devices in Code Section 33-24-59.6, provided that nothing contained in this paragraph shall be construed to require any insurance company to provide coverage for abortion; coverage for prescription inhalers in Code Section 33-24-59.8; coverage for autism in Code

Section 33-24-59.10; coverage for mastectomy and lymph node dissection in Code Section 33-24-72; coverage for mammograms, pap smears, and screening for prostate cancer in Code Sections 33-29-3.2 and 33-30-4.2; provisions concerning mail-order pharmaceuticals in Code Section 33-30-4.3; and coverage for child wellness exams in Code Sections 33-29-3.4 and 33-30-4.5.

(2) 'Group' means any employer group of 50 employees or less.

(3) 'Insurer' means any insurer or nonprofit organization authorized to sell accident and sickness policies, subscriber contracts, certificates, or agreements of any form under Chapters 15, 18, 19, 20, 21, 29, and 30 of this title.

33-59-4.

(a) Notwithstanding any other provision of law and on and after July 1, 2005:

(1) Any insurer authorized to transact business in this state offering group accident and sickness policies or contracts shall be required to offer, through a licensed agent or agency, a group health benefit plan that contains all state mandated health benefits and may offer a group alternative health benefit plan as defined in this chapter; and

(2) Any insurer authorized to transact business in this state offering individual accident and sickness policies or contracts shall be required to offer, through a licensed agent or agency, an individual health benefit plan that contains all state mandated health benefits and may offer an individual alternative health benefit plan as defined in this chapter.

(b) On and after July 1, 2005, an employer who chooses to offer group health benefit plans to its employees shall offer to each eligible employee a group health benefit plan that contains all state mandated health benefits and may offer to each eligible employee a group alternative health benefit plan as defined in this chapter.

(c) The provisions of Chapter 21 of this title shall not be deemed to prohibit licensees thereunder from selling the policies provided for in this Code section.

(d) The purchase of an accident and sickness policy or contract under this Code section shall not preclude the purchaser from purchasing additional limited benefit insurance policies or contracts.

33-59-5.

(a) In each sale of an alternative health benefit plan, the insurer shall provide to each proposed individual group member or individual policyholder a notice and an acknowledgment at the beginning of the application for the alternative health benefit plan containing the following language in boldface type:

'You have the option to choose this Small Business Employee Choice of Benefits Health Insurance Plan which does not provide all of the state mandated health benefits normally required in accident and sickness insurance policies in Georgia. This health benefits plan may provide a more affordable health insurance policy for you, although, at the same time, it may provide you with fewer health benefits than those normally included as state mandated health benefits in policies in Georgia. If you choose this option, please consult with your insurance agent to discover which state mandated health benefits are excluded in this policy.'

(b) An acknowledgment separate from the notice and application provided for in subsection (a) of this Code section shall be provided to and completed by each individual policyholder or individual group member. Such acknowledgment shall contain a comparison of the benefits contained in each of the health benefit plan options being offered to the individual policyholder or individual group member. The Commissioner shall promulgate such rules and regulations as he or she deems necessary to implement this subsection including rules and regulations concerning the form and contents of such acknowledgment. In the case of group health benefit plans being offered by an employer, a copy of the acknowledgment for each individual group member shall be maintained by the employer.

33-59-6.

The Commissioner of Insurance may promulgate rules and regulations as necessary to implement the provisions of this chapter and specify the information to be contained on the forms supplied by insurers of these policies and contracts to individual group members and policyholders.

SECTION 2.

All laws and parts of laws in conflict with this Act are repealed.